

## **Colorado Limited Gaming Control Commission**

### **Minutes of Public Session**

April 16, 2020

#### **PUBLIC SESSION**

##### **I. Call to Order**

The April 16, 2020 meeting of the Colorado Limited Gaming Control Commission was called to order by Chair Kristen Blessman at approximately 9:18 a.m. via a Cisco Webex video conference. Commissioners Coleman, Nathan and Davis were present via Cisco Webex and a quorum existed. Commissioner Carlson was excused for good cause.

##### **Officials & Administrators in Attendance**

Kristen Blessman, Chair via Cisco Webex  
Shawn Coleman, Commissioner via Cisco Webex  
Richard Nathan, Commissioner via Cisco Webex  
Justin Davis, Commissioner via Cisco Webex  
Cory Amend, Director, Enforcement Division via Cisco Webex  
Dan Hartman, Director  
Kenya Collins, Director of Administration via Cisco Webex  
Matt Heap, Chief of Investigations via Cisco Webex  
John Lizza, First Assistant Attorney General  
Ceri Williams, Senior Assistant Attorney General via Cisco Webex  
Torrey Samson, Assistant Attorney General via Cisco Webex  
Suzanne Karrer, Communications Manager via Cisco Webex  
Paul Hogan, Chief Auditor  
Vickie Floyd, Controller  
John Madruga, Agent in Charge, Background Unit  
Brett Buckingham, Supervisory Investigator  
Breanne Rodlin, Assistant to the Director, Secretary to the Commission

#### **EXECUTIVE SESSION**

The Commission voted unanimously to go into Executive Session pursuant to sections 24-6-402(3)(a)(III), 44-30-521(1)(a), 44-30-526(1), and 44-30-1507 of the Colorado Revised Statutes to review confidential reports from the Division of Gaming.

#### **PUBLIC SESSION** (reconvened)

Commissioner Nathan took over duties as chair for Chair Blessman who was excused from the meeting due to a professional emergency.

##### **II. Approval of Sports Betting Licensing Actions**

The Commission voted unanimously to renew the Retail License for American Gaming Group LLC d/b/a Wildwood Casino at Cripple Creek. The license will expire two years from the date of its current expiration.

The Commission voted unanimously to approve renewal of the Operator and Manufacturer/Distributor Licenses for Merit Cripple Creek LLC. The licenses will expire two years from the dates of their current expirations.

The Commission voted unanimously to approve renewal of the Associated Equipment Supplier License for Table Trac, Inc. The license will expire two years from the date of its current expiration.

The Commission voted unanimously to approve the First Associated Equipment Supplier License for Genesis Gaming Solutions, Inc. The license will expire two years from the date of issuance.

The Commission voted unanimously to approve the First Master License for American Gaming Group LLC d/b/a Wildwood Casino at Cripple Creek. The license will expire on April 17, 2022, to allow the expiration date to coincide with Wildwood's Retail license.

The Commission voted unanimously to approve the First Master Licenses for G.F. Gaming Corporation d/b/a The Famous Bonanza Casino Corp. and G.F. Gaming Corporation d/b/a Easy Street Casino. The licenses will expire on November 16, 2021, to allow the expiration dates to coincide with G.F. Gaming's existing Retail licenses.

The Commission voted unanimously to approve the First Master Licenses for Grand Z Casino Operator LLC d/b/a Grand Z Casino, Johnny Z Casino Operator LLC d/b/a Johnny Z Casino, and Z Casino Black Hawk Operator LLC d/b/a Z Casino Black Hawk. The licenses will expire on November 21, 2021, to allow the expiration dates to coincide with each entities' existing Retail and Manufacturer/Distributor licenses.

The issuance of the above 6 (six) Master licenses does not concurrently grant approval to entities or individuals with whom these licensees have entered into, or considered entering into contracts for sports betting operations or internet sports betting operations; nor does it preclude any entities or individuals from being called forward by the Division to conduct a comprehensive background investigation regarding their suitability to operate in Colorado.

The Commission voted unanimously to approve the Temporary Sports Betting Operator Licenses for Betfred Sports (Colorado) LLC d/b/a Betfred Sports, SBOpco, LLC d/b/a SuperBook, Internet Sports International, Ltd. d/b/a ISI, Ltd. (Wildwood), Internet Sports International, Ltd. d/b/a ISI, Ltd. (Johnny Nolon's), Internet Sports International, Ltd. d/b/a ISI, Ltd. (Colorado Grande), and Churchill Downs Interactive Gaming, LLC d/b/a BetAmerica. The Temporary Sports Betting Operator Licenses were issued, pending the final results of the Division's background investigations.

The Commission voted unanimously to approve the Temporary Internet Sports Betting Operator Licenses for Betfred Sports (Colorado) LLC d/b/a Betfred Sports, SBOpco, LLC d/b/a SuperBook, Internet Sports International, Ltd. d/b/a ISI, Ltd., Digital Gaming Corporation USA, WSI US, LLC, and Churchill Downs Interactive Gaming, LLC d/b/a BetAmerica. The Temporary Internet Sports Betting Operator Licenses were issued, pending the final results of the Division's background investigations.

The Commission voted unanimously to approve the Temporary Vendor Major Licenses for Betbull Limited, SBTech Malta Limited, Finder Media B.V., and NYX Digital Gaming (USA) LLC. The Temporary Vendor Major Licenses were issued, pending the final results of the Division's background investigations.

The Commission voted unanimously to approve the Vendor Minor Licenses for Paysafe Merchant Services Corp. d/b/a Paysafe, PayNearMe MT, Inc., Game Lounge Limited, ROTOQL, Inc. d/b/a BetQL, and Betbox Limited. These Vendor Minor Licenses shall expire 2 years from the dates of issuance.

### **III. Opportunity for the Public to Address the Commission**

Sarah Mercer, Attorney, Brownstein Hyatt Farber Schreck, came forward and thanked the Commission on behalf of ISI for their approved licenses.

Rebecca Giden, Senior Analyst for Eilers and Krejcik Gaming, approached the Commission to ask if Sports Betting would still launch in Colorado on May 1, 2020. The question was deferred to Director Hartman and he stated that the Division was still on track to have Sports Betting “go live” on Friday, May 1, 2020.

### **IV. Consideration of Disciplinary Actions**

The Commission voted unanimously to approve and authorize the chair to sign the Order of Summary Suspension in Case No. DOG 19004951 In the Matter of Santosh Pathak, Support License No. 43142.

The Commission voted unanimously to approve and authorize the chair to sign the Order of Summary Suspension in Case No. DOG 19004092 In the Matter of Jeremy Earl Woodard, Support License No. 46646.

### **V. Consideration of Division Financial Statements for February 2020**

Vickie Floyd, Controller for the Division of Gaming, presented the Statement of Gaming Revenues, Gaming Taxes, and Expenditures (unaudited) for the eight months ending on February 29, 2020. Discussion was had by the Commission regarding the report findings.

The Commission voted unanimously to approve the financial statement for February 2020 and authorize its distribution.

## **VI. Consideration of Limited Gaming Rule 23—Rules for Craps**

The Commission voted unanimously to open the hearing for Rule 23.

Brad Nelson, Investigator and Table Games Chairman for the Division of Gaming gave the presentation regarding Limited Gaming Rule 23—Rules for Craps.

The chair extended the opportunity for the public to testify on behalf of Rule 23. No members of the public came forward to testify.

The Commission voted unanimously to close the hearing for Rule 23.

The Commission voted unanimously to approve the amendments to Limited Gaming Rule 23—Rules for Craps, as presented.

## **VII. Presentation of Fiscal Year 2020 Budget and Operating Fees for Sports Betting**

Director Hartman presented the Fiscal Year 2020 Budget and Operating Fees for Sports Betting. Discussion was had by the Commission regarding the operating fees.

The Commission voted unanimously to approve the Operating Fees for Sports Betting, as presented.

## **VIII. Consideration of Sports Betting Catalog**

Director Hartman presented the Colorado Sports Betting Catalog. Commissioner Nathan asked questions regarding “prop bets” and NCAA sports. Discussion was had by the Commission regarding the catalog. It was determined that the Sports Catalog would be approved without bets related Prop Bets and NCAA sports.

The Commission voted unanimously to approve the Sports Betting Catalog with the exception of those wagers pertaining to College sports, which were deferred for future consideration.

## **IX. Rulemaking Hearing on Colorado Gaming Rule 14, Gaming Tax**

The Commission voted unanimously to open the hearing on Colorado Gaming Rule 14, Gaming Tax.

Paul Hogan, Chief Auditor for the Division of Gaming, gave a presentation outlining the methodology of the Gaming Tax hearing. He explained the details of the Budget Request schedule, the Tax Setting Hearing schedule, and the Constitutional Distribution Formula. Mr. Hogan then gave the Statement of Gaming Impacts and Annual Reports for the Colorado Division of Gaming.

Following the Division of Gaming presentation, Tamra Ward, Vice Chair of the Colorado State Historical Fund, gave the presentation for History Colorado. The presentation outlined all of the grants awarded to History Colorado during the 2019 Fiscal Year. Ms. Ward detailed the projects and foundations that grant monies benefited. Tim Stroh, Director of the State Historical Fund, requested that Gaming Taxes remain the same.

Mark Superka, Vice Chancellor for Finance for Finance and Administration, Colorado Community College System, gave the presentation for the Colorado Community College System. He requested that the Gaming Taxes remain the same.

Paul Hogan submitted for the rulemaking record, a letter from the Office of the State Court Administrators outlining its FY2021 financial impact. Mr. Hogan also submitted a letter from Aims Community Colleges regarding the benefits the college receives from Gaming Tax Revenues.

The Chair gave the public the opportunity to testify on Colorado Gaming Regulations, Rule 14 - Gaming Tax. No members of the public came forward to testify.

The Commission voted unanimously to close the hearing on Colorado Gaming Regulations, Rule 14 - Gaming Tax and continue the hearing at 9:30 a.m. on Thursday, May 21, 2020, at 17301 W. Colfax Avenue, Suite 135, Golden, Colorado, or via Cisco Webex video conference pending the circumstances regarding COVID-19.

## **X. Fiscal Year 2021 Budget Requests**

The Colorado Department of Public Safety and its representatives came before the Commission to present Fiscal Year 2021 Budget Requests.

- *Colorado Bureau of Investigation* – John Camper, Division Director, presented the FY2021 budget request.
- *Colorado State Patrol* – Matthew Packard, Chief, presented the FY2021 budget request and also provided detailed statistics concerning CSP activities in the gaming areas.
- *Division of Fire Prevention and Control* – Mike Morgan, Director, presented the FY2021 budget request.
- *Presentation by the Colorado Division of Gaming* – Joo Kang, Budget Manager, Enforcement Business Group, presented the FY2021 budget request for the Colorado Division of Gaming.

The Commission voted unanimously to table consideration of the Fiscal Year 2021 budget requests until the May 21, 2020 meeting of the Colorado Limited Gaming Control Commission.

## **XI. Consideration of Colorado Limited Gaming Rule 3--Applications, Investigations and Licensure**

The Commission voted unanimously to open the hearing on Rule 3—Applications, Investigations, and Licensure.

Joo Kang, Budget Manager, Enforcement Business Group, gave the presentation regarding an increase in the Divisions of Gaming’s Hourly Background Investigation Rate to \$84.00. She explained the reason for the increase. Discussion was had by the Commission.

The Chair gave the public an opportunity for the public to come forward and testify on behalf of Rule 3. No members of the public came forward to testify.

The Commission voted unanimously to close the hearing on Rule 3.

The Commission voted unanimously to amend Regulation 30-305, to increase the hourly background investigation rate to \$84.00, effective July 1, 2020.

## **XII. Consideration of Organizational Matters**

### **1. Adoption of Minutes for April 2, 2020**

The Commission approved the minutes from the April 2, 2020 Special Meeting of the Colorado Limited Gaming Control Commission.

### **2. Director’s Update**

Cory Amend, Senior Director, Enforcement Business Group, expressed the Department’s understanding and support to the Gaming Community regarding the closures and difficulties faced due to the COVID-19 crisis. He stated that the Division would keep the Industry up-to-date on all bulletins regarding re-openings and other related information.

Dan Hartman, Director, Division of Gaming, gave updates regarding the Division’s move to a new office location at 1687 Cole Boulevard in Lakewood. He confirmed that Sports Betting would still launch on May 1, 2020 and that staff was working diligently to get licenses approved. He also assured the Gaming Industry that any updates regarding COVID-19 information would be passed on as soon as possible.

## **Adjournment**

The Commission voted unanimously to adjourn the April 16, 2020 meeting of the Colorado Limited Gaming Control Commission at 12:22 p.m.

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Breanne Rodlin, Secretary to the Colorado Limited Gaming Control Commission